

POLICIES GOVERNING TRAVEL RELATED EXPENSES FOR CONTRACTORS

Contractors are required to adhere to State regulations regarding the reimbursement of travel, lodging, and subsistence relating to the services under contract. Below are the current rates of reimbursement. (Please note that reimbursement for expenses is only allowable if stipulated in your contract.) **Public agencies** should follow their agency's existing procedure for budget/travel policy authorization. For complete and current travel policies and regulations refer to the State Budget Manual (www.osbm.state.nc.us/osbm/pubs.html).

A. TRANSPORTATION

- 1. PERSONAL VEHICLE** - Rates are based on the Internal Revenue Service's business standard mileage rate. Effective January 1, 2003, the rate **decreased** from 36.5 cents a mile to 36 cents a mile. Parking fees and tolls are reimbursable. Receipts are required for reimbursement. Mileage is measured from the closer of the assigned duty station or point of departure to destination and return. No reimbursement will be made for Contractors traveling from their home to their duty station.
- 2. COMMON CARRIER** - Reimbursement for air, rail, or bus fare is limited to actual coach fare, substantiated by receipt.
- 3. TRAVEL TIME** – Time spent traveling may not count as hours of service.

B. SUBSISTENCE

- 1. RATES** - The maximum allowable statutory rate for meals and lodging is \$85.00 for in-state travel and \$97.50 for out-of-state travel in a 24-hour period. The payment of sales tax, lodging tax, local tax, or service fees applied to the cost of lodging is allowed in addition to the lodging rate and is to be paid as a lodging expense. Receipts are required for lodging expenses.
The contractor may exceed the part of the ceiling allocated for lodging without approval for over expenditure provided the total lodging and food reimbursement does not exceed the maximum allowed daily subsistence. The following schedule shall be used for reporting allowable subsistence expenses incurred while traveling on official state business:

	In-State	Out-of State
Breakfast	\$ 6.50	\$ 6.50
Lunch	\$ 8.50	\$ 8.50
Dinner	\$14.50	\$16.50
Lodging (actual, up to)	<u>\$55.50</u> (actual, up to)	<u>\$66.00</u> (actual, up to)
Total	\$85.00	\$97.50

A Contractor may request reimbursement for actual expenses if they are less than the rates in this table. Out-of-state travel status begins the day a person leaves the agency and remains in effect through the day he returns to the agency. Contractors located out of North Carolina must use In-State travel allowances when traveling in North Carolina.

- 2. EXCESS LODGING** - Excess lodging authorization for in-state, out-of-state, and out-of-country travel must be obtained in advance from the department head or his or her designee. Excess lodging is allowed when the Contractor is in a high cost area and unable to secure lodging within the current allowance, or when the Contractor submits in writing an opinion that personal safety or security is unattainable within the current allowance. Excess lodging authorization is not allowed for reason of convenience or personal

preference for the Contractor. The Contractor may exceed the part of the ceiling allocated for lodging without approval from the department head or his or her designee provided the total lodging and food reimbursement does not exceed the maximum daily subsistence.

3. MEALS

a. MEALS DURING OVERNIGHT TRAVEL - A contractor may be reimbursed for meals including lunches, while on official state business when the Contractor is in overnight travel status. The travel must involve a travel destination located at least 35 miles from the Contractor's regularly assigned duty station (vicinity) or home, whichever is less.

b. MEALS DURING DAILY TRAVEL

Contractors may be reimbursed for meals for partial days of travel when in overnight travel status and the partial day is the day of departure or the day of return. The following applies:

- Breakfast: depart duty station prior to 6:00 a.m. and extend the workday by 2 hours.
- Lunch: depart duty station prior to Noon (day of departure) or return to duty station after 2:00 p.m. (day of return).
- Dinner: depart duty station prior to 5:00 p.m. (day of departure) or return to duty station after 8:00 p.m. (day of return) and extend the workday by 3 hours.

Allowances cannot be paid to Contractors for lunches if travel does not involve an overnight stay; however, Contractors can be eligible for allowances for the breakfast and evening meals when the following applies:

- Breakfast (morning): depart duty station prior to 6:00 a.m. and extend the workday by 2 hours.
- Dinner (evening): return to duty station after 8:00 p.m. and extend the workday by 3 hours.

The travel must involve a travel destination located at least 35 miles from the Contractor's regularly assigned duty station (vicinity) or home, whichever is less.

c. EXCESS MEALS

No excess reimbursement will be allowed for meals unless such costs are included in registration fees and/or there are predetermine charges, or the meals were for out-of-country travel. The department head or his or her designee may grant excess subsistence for meals for out-of-country travel.

C. CONFERENCE REGISTRATION FEES

Registration fees maybe reimbursed with a valid receipt or invoice. If conference registrations include the price of meals, the Contractor may not claim reimbursement of meals in addition to the reimbursement of the conference registration fee. Please note that registration fees consisting exclusively of meals are not reimbursable unless meeting overnight travel criteria. (A valid receipt/invoice contains: a) name of organization hosting conference and name/title of conference; b) name of person attending conference and making payment; c) amount paid; d) date of payment; and e) signature or person accepting payment for conference.) If advance payment of a conference registration fee is required, your documentation should include a properly executed conference registration form along with a copy of the check.